

April 27, 2023

Via CM/ECF

The Honorable Mary Kay Vyskocil
United States District Judge
Southern District of New York
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, New York 10007

Re: *United States v. Bank Hapoalim B.M.*
No. 1:20-cr-00262-MKV

Dear Judge Vyskocil:

The Government and Defendant Bank Hapoalim B.M. (“BHBM”) (collectively, the “Parties”), jointly submit this letter to provide the Court with a status report regarding BHBM’s compliance with the deferred prosecution agreement (“DPA”) entered into by the Parties in the above-referenced matter. As the Court is aware, the DPA provides for a three-year term that is set to expire on April 30, 2023. The Court granted the Government’s motion for exclusion of time under the Speedy Trial Act, pursuant to 18 U.S.C. § 3161(h)(2) and (h)(7)(A), and BHBM’s waiver of its speedy trial rights in the DPA, from April 30, 2020 through April 30, 2023 (the “Deferral Period”). The DPA provided that upon expiration of the Deferral Period, the Government would not continue the criminal prosecution against BHBM, would move to dismiss the Information with prejudice, and would bring no additional charges or other civil action against BHBM relating to its conduct as described in the criminal Information filed against BHBM in this matter if BHBM fully complied with all of its obligations under the DPA.

The DPA imposed a number of obligations on BHBM, including the obligation to pay to the United States a total of \$214,385,612 (comprised of restitution to the Internal Revenue Service, forfeiture, and a criminal penalty), to cooperate in various ways regarding all matters related to the Government’s ongoing investigations, and to provide reports to the Government regarding certain topics. The DPA also provided that BHBM should commit no violations of the federal criminal laws of the United States.

On April 4, 2023, the Chairman of BHBM’s Board of Directors and the Chief Executive Officer of BHBM certified to the Government that BHBM complied with all provisions of the DPA. Based on the information known to the Government, BHBM has

The Honorable Mary Kay Vyskocil

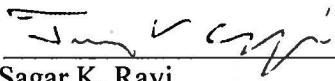
-2-

fully met the obligations under the DPA. In addition, BHBM has made timely payment of the \$214,385,612 owed to the United States.


Because BHBM has fully complied with its obligations under the DPA, pending the Government's review of certain reports to be submitted by BHBM by the end of the Deferral Period, the Government anticipates that it will determine that dismissal of the Information is appropriate and move for such dismissal at the status conference scheduled for May 1, 2023. The Government has conferred with counsel for BHBM, who concurs that dismissal is appropriate at this time. The Government has advised, and BHBM has acknowledged, that BHBM's cooperation obligations with the Government's investigations will continue after the Deferral Period until the date on which all civil or criminal examinations, investigations, or proceedings, including all appeals, are concluded, and BHBM will retain all records relating to the Government's investigations for a period of 10 years following the Deferral Period.

Respectfully submitted,

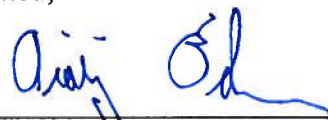
DAMIAN WILLIAMS
United States Attorney

By: 
Sagar K. Ravi
Timothy V. Capozzi
Assistant United States Attorneys
(212) 637-2195 / 2404

DAVID A. HUBBERT
Deputy Assistant Attorney General
Tax Division

By: 
Todd A. Ellinwood
Nanette L. Davis
Special Assistant U.S. Attorneys
(202) 616-9330 / 514-8030

Counsel for the Government


Aisling O'Shea (NY Bar No. 4282257)
SULLIVAN & CROMWELL LLP
1700 New York Ave., NW, Suite 700
Washington, DC 20006

Counsel for Bank Hapoalim B.M.